

Congresswoman Linda Sánchez (CA-39), along with eleven other members of Congress, commissioned a study on the effects of the so-called "Disabled Veterans Tax" which was released today. The report, titled "The Disabled Veterans Tax Impacts Thousands of Veterans in the Los Angeles Area," found that disabled veterans in California lose \$277 million dollars in benefits annually due to this tax.

"This is wrong and we must do something to fix the problem. Disabled veterans should be supported and not penalized for their service to our country," said Congresswoman Linda Sánchez.

Under the current law, veterans with 20 years of military service are entitled to receive retirement benefits from the Department of Defense. In addition, veterans who incurred service-related disabilities are entitled to receive disability compensation benefits from the Department of Veterans Affairs. If a veteran has both 20 years of military service and a service-related disability, however, the veteran's military retirement benefit is reduced on a dollar-for-dollar basis by the amount the veteran receives in disability compensation. Effectively, the disability compensation received by these veterans is taxed at 100%.

Earlier this year, Congresswoman Sánchez co-sponsored the Retired Pay Restoration Act of 2003 (H.R. 303). This bill is intended to address the concerns of thousands of veterans throughout the nation including more than 3,000 veterans from the Los Angeles area. The proposed legislation would eliminate the "Disabled Veterans Tax" providing an increase of benefits of \$14.7 million annually to the region and give back approximately \$4,700 per veteran annually in the LA region. Currently, the bill has 371 sponsors.

"I am dedicated to honoring our commitment to veterans. It's time to end the disabled veterans tax. Unfortunately, the Republicans are more than happy to send our young men and women into battle, but they don't seem to care about them once they get home. That's why we need to pass this legislation and give veterans the respect and services they deserve," Sanchez concluded.